

**THE VIABILITY OF MICRO-FINANCE PROGRAMS FOR THE
EMPOWERMENT OF RURAL POOR WOMEN ENTERPRENEURS:
A CASE OF BUJUMBURA RURAL PROVINCE**

BY

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**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF ARTS IN SOCIOLOGY
(RURAL SOCIOLOGY AND COMMUNITY DEVELOPMENT)**

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DECLARATION

This thesis is my original work and has not been presented for award of a degree in any other university.

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DEDICATION

This thesis is dedicated with a lot of respect and appreciation to my beloved mother, Ntahontarusanga Veronique, who, despite the hardships of being a single mother and widow, worked hard, wisely, and faithfully to raise me up; and my loving and faithful wife and best friend, Cesalie Nicimpaye.

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First and foremost, I wish to thank the Almighty God for enabling me to successfully carry out this study.

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Thirdly, I would like to thank the Micro-Finance Institution officials, who, without reluctance took me to the field where their clients carried out their micro-enterprises activities and where I collected the data I needed.

Fourthly, very special thanks go to my beloved wife, Cesalie Nicimpaye and our daughter Joanna Veronique Nduwimana, for their invaluable moral support and patience they accorded me during the conduct of this project.

Lastly but not the least at all, I thank any one who contributed in any way, be it financially, morally, or otherwise to make this project a success. I sincerely say thank you very much and may the Almighty God reward you accordingly.

This study aimed at investigating the issue of how far micro-finance programs are viable for the empowerment of rural poor women entrepreneurs in the context of Bujumbura rural province, in Burundi. The main purpose was to look at the role micro-finance programs play in bringing about women's socio-economic empowerment in the area. The study had two specific objectives: (1) to measure how far micro-finance programs are reaching the rural poor women entrepreneurs; (2) to determine the material and non-material benefits of micro-finance programs for rural poor women entrepreneurs at both the individual and household levels.

The empirical and theoretical literature pointed out that micro-finance programs do not reach the poorest of the poor. Wood et al. (1997). According to Cheston et al. (2002), the programs lead to women's economic empowerment, increased self-esteem, and other forms of empowerment. However, these programs alone should not be taken to be a panacea for the empowerment of rural poor women entrepreneurs. Hulme (1997).

From the literature review, two hypotheses were formulated: (1) creditworthiness of rural poor women entrepreneurs influences their chances of obtaining credit and other micro-finance service; (2) rural women entrepreneurs who have obtained credit and other micro-finance services improve performance of their micro-enterprises. To determine the relationship between variables, Pearson's Chi-square was used and the level of significance of 0.05 was used to accept or reject hypotheses.

The research methodology included interview schedule and questionnaire. The collected data was interpreted using both descriptive and inferential statistics. The sample size was made up of 65 women drawn randomly from the population of 110 women entrepreneurs of Mubone Sub location, who had received a loan from a MFI.

The results of the study were: Firstly, that the chances of obtaining credit are influenced by the type of business the client is involved in, her level of education, and prior experience in business; secondly, that age and marital status seem not to have an impact on the chances of obtaining credit or business training; and thirdly, that the loan, coupled with other micro-finance services, lead to increase in income, stock, number of employees, equipment and tools as well as self-esteem and self-reliance.

programs do have a positive impact on clients when outside factors are taken into consideration. The findings are also in agreement with the findings of other scholars as indicated by literature (see paragraph three).

The conclusion of the study indicates that though the micro-finance programs are selective and not a panacea for the empowerment of rural poor women entrepreneurs, they have the viability to empower them, especially in an enabling environment.

The study recommends that the MFI takes into consideration needs and level of education of clients, strong monitoring and evaluation systems, and business training; clear policies, rules and regulations. There should be also further research on negative impacts on micro-finance programs, how far they can lead to macro businesses, and the age and gender dynamics in relation to these programs.

LIST OF ABBREVIATIONS

UNICEF	:United Nations Children's Fund
UN	: United Nations
MFI	:Micro-finance Institutions
UNIFEM	: United Nations Fund for Women
UNDP	: United Nations Development Program
ILO	: International Labour Organization
NGO	: Non Governmental Organization
SPSS	:Statistics Program for Social Sciences

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CHAPTER ONE

1. 0. INTRODUCTION

1.1. Background

The beginning of formal micro-finance programs can be traced back to the 1950s after World War II (World Bank, 2002). According to the same source, the programs proliferated in the 1960s and 1970s, and in the process lending methodologies suitable for low-income clients in both rural and urban areas, were developed (World Bank, 2002:8). By the 1970s some commercial banks, especially in parts of Asia, had gained decades of experience in mobilizing large amounts of savings from the rural poor.

According to World Bank (2002), by the 1980s (a turning point in the history of micro-finance), several institutions in numerous parts of the developing world had already developed the capacity of providing and recovering their loans. It was in the 1980s that it became clear for the first time in the history of micro-finance that it could provide large-scale outreach in a profitable way. This probably led to its development as an industry in the 1990s, where more attention was given to developing appropriate regulation and supervision for formal micro-finance institutions (World Bank, 2002).

As the World Bank (1996) puts it, Africa, as a continent, has been left behind in the development of micro-finance programs described above. This is shown by the fact that the African regional micro-finance institutions are less large and advanced compared to the ones in Asia and Latin America.

However, there is a common factor among these regions in that micro-finance programs are designed for the poor, of whom women are the majority. For example "... 14.2 million of the world's poorest women now have access to financial services through specialized micro-finance institutions such as MIFs, Banks, NGOs, and other nonbank financial institutions". (Opportunity International, 2002: 4). According to the same organization, women account for about 74 percent of the 19.3 million of the poorest people of the world who are now being served by micro-finance institutions.

The UNDP report on human development in Burundi (1999: 84) also indicates that the government of Burundi adopted social policies (1983-1992) with more emphasis among other things, on the projects that could involve women in socio-economic activities. This was a way of helping them earn some income and thus get empowered.

In light of this, it has been thought that the provision of micro-finance programs could help these women get involved in small-scale businesses, thus reducing their poverty and empowering them at different levels. Studies show different views about how far these programs can empower rural poor women entrepreneurs. According to

WOMAN (2002), for some, micro-enterprise credit is a panacea for poor women, and yet for others, micro-credit or micro-finance programs are not enough to empower poor women as they do not reach the poorest of the poor, just the opposite of what is believed by many. In his memoir, *"Etude des Problemes de Demarrage des PME a Burundi"*, Bwakayabu (1995) argues that small-scale entrepreneurs rarely get credit and when they do, it is accompanied with many conditions or exigencies. According to him this constitutes one of the handicaps of the start up and growth of the small and medium enterprises. In fact, it is also one of the causes of the failure of these enterprises. On the other hand, the UNDP report on Human Development in Burundi (1999), indicates that one of the causes that hinder women from coming out of the poverty and that of their families is lack of access to credit.

1.2. Problem statement

According to the report on social mobilization, credit and empowerment (2001.), it was found that though micro-finance programs did a good job, there were also many short comings such as weak targeting of women (less than 25 years old), elderly poor women, and chronic migrants being out of the ambit of micro-credit interventions. The findings of the study indicate also the persistence of poverty, and gender inequalities among other issues.

Scully (2003), recognizes that micro-enterprise development has, in some circumstances, contributed positively to women's empowerment and helped extremely poor women survive economic crises in the short term. However, he also

observes that donors and advocates constantly over-exaggerate the power of micro-enterprises credit and related assistance, while ignoring key structural issues that are far more pertinent to the long-term problem of women and poverty.

The issue of empowering women in general, through micro-finance programs becomes even more complicated when one considers the debates on micro-credit, social capital, (feminisation of) poverty, and women's empowerment. According to Mayoux, (2001), Murthy and Snakaran, (2001) and Insights (2000), there are three debates on micro-credit, social capital, feminisation of poverty and women's empowerment. In the first debate, one set of people hold the position that micro-credit is the panacea for poverty alleviation and that this leads automatically to women's empowerment. Another group argues that this is far from being true but rather believes that women's labour and time is exploited through these programs. In the second debate, one group believes that people can come out of poverty and empower themselves through the strengthening of social capital-bonding, bridging and linking capital, while another group believes that poverty can only be alleviated and women empowered when physical capital and financial capital are strengthened. And yet, in the third debate, one group argues that development stakeholders should focus on the interlinkage between gender, women and poverty while another group is of the position that evidence on feminization of poverty is weak and that mixing gender issues with poverty diverts the broader agenda of women's empowerment.

The above discussion and debates is clear evidence that different people and groups of people hold different views about the viability of micro-finance programs to empower rural poor women entrepreneurs. Countries like Bangladesh, India and others, have done research and have found the weaknesses and strengths of these programs and have as well adopted appropriate measures to strengthen them in the context of their respective countries. (World Bank, 2002).

As far as the researcher knows, it appears that no systematic study, especially with a sociological perspective, has been carried out on whether the widely and popularly held assumption that micro-credit programs are a panacea for the empowerment of rural poor women entrepreneurs holds true or not, in the context of Bujumbura Rural Province, in Burundi. Going by the findings of research done elsewhere may lead to falling into the trap of replicating micro-finance programs which are not viable at all and yet others may fail to initiate these programs on the untested assumption that they are not viable. Moreover, the contradicting views and debates reported by Mayoux (2001), Murthy Snakaran (2001) and Insights (2000), and others, about the viability of micro-finance programs to empower rural poor women create a big gap that should be investigated.

This study therefore aims at investigating the issue of how far micro-finance programs are viable for the empowerment of rural poor women entrepreneurs in the context of Bujumbura rural province, in Burundi.

1. 3. General objective

The general objective of this study was: To determine the extent to which micro-finance programs can empower rural poor women entrepreneurs in Burundi in general, and in Bujumbura Rural Province in particular, and to be able to suggest, if necessary, what else should be done to bring about sustainable empowerment of these women.

1. 4. Research questions

This study sought to address the following questions:

1. How far are micro-finance programs reaching the rural poor women entrepreneurs?
2. What are the material and non-material benefits of micro-finance programs for rural poor women entrepreneurs both at the individual and household levels?

1.5. Specific objectives

The specific objectives of this study were

1. To measure how far micro-finance programs are reaching the rural poor women Entrepreneurs.
2. To determine the material and non-material benefits of micro-finance programs for rural poor women entrepreneurs at both the individual and household levels.

1.6. Justification

The findings of this study are beneficial in many ways. Some of the benefits of the findings of this study that can be foreseen are described below.

The findings of this study indicated the extent micro-finance programs are empowering rural poor women in Bujumbura rural, the challenges for these programs to reach their full potentials and what could be done to maximize their potentials.

Development agencies or organizations and the government will be able to adjust and improve on the existing practices of micro-finance programs.

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Funding organizations as well as the implementing ones will be able to make informed and unbiased decisions on allocating money to programs that aim at empowering rural poor women entrepreneurs. For example, donors are likely to provide more funds for these programs due to the evidence that micro-finance programs are viable to empower women.

The findings of this study are likely to positively influence policy makers to make policies that are adapted to Burundian reality. This is expected to have positive implications on the overall administration and practice of micro-finance programs.

Teaching and training institutions are also expected to adjust their curriculum depending on the contribution of this study in terms of revealing the reality about the viability of micro-finance in Burundi.

The potential target groups of micro-finance programs such as current and new entrepreneurs are also likely to be enlightened and hence be able to make good use of these programs, thus effectively benefiting from them.

The researcher believes that the findings of this study add to the scarce literature on micro-finance. The body of knowledge on micro-finance will be also enriched by the contribution of the findings of this study.

There is also a likelihood that other researchers could build on the findings of this study to carry out further research in the same area and/or on the same subject to confirm, improve, expound or update the findings of this study.

1. 7. Scope and shortcomings

This study limited itself to rural poor women entrepreneurs. These were women from the commune of Mutimbuzi in Bujumbura rural province, and beneficiaries of a micro-credit program. A limited number of socio-economic indicators of empowerment were looked at.

The indicators that were looked at included increase in stock, job creation, increase in equipment, and tools, and increase in income. Self-confidence and self-esteem were also looked at as indicators of empowerment.

It should be noted that this study was not necessarily about gender inequality or issues as such. Women as a group to study have been chosen on the grounds that women fit well such a study and that they represent one of the vulnerable groups that need to be empowered. It is also because women have been the focus of the micro-finance programs in hope that a meaningful and sustainable empowerment can be attained in this way.

Moreover, this was not meant to be a comprehensive and exhaustive study about micro-finance and empowerment in relation to rural poor women entrepreneurs. There are quite a number of other areas that necessitate further research as indicated in recommendations (see chapter six).

Lastly, certain shortcomings that occurred during the course of this study have to be taken into consideration in viewing its findings. The shortcomings include the following:

1. Most of the rural poor women entrepreneurs were illiterate or semi illiterate and this led to conducting the interview in their vernacular. This might have led to misinterpreting the questionnaires.

2. Some of them feared to be arrested, especially those who had arrears. They sought the researcher was an agent of the police sent by the MFI officials. This was because they had warned them of taking them to court if they did not pay their areas. The researcher therefore had a hard time together with the MFI officials of convincing them that it was purely for academic purposes. This may have led to selecting words to use especially to please the MFI officials although enough time had been consecrated to asking them to be free from answering questions.

1.8 Definition of key terms

Since every word is understood according to its context, it would be very important to define the following key terms as used in this study. This will help the reader understand better and at a glance what is being said.

Micro-finance: This micro-finance refers to small-scale financial services - primarily credit and savings - provided to people who farm or fish or herd; who operate small enterprises or micro-enterprises where goods are produced, recycled, repaired or sold; who provide services; who work for wages or commissions; who gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at the local levels of developing countries both rural and urban. Many such households have multiple sources of income.

Empowerment: "Empowerment is about change, choice, and power. It is a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives". Opportunity International, (2002:12).

Poverty: As Murthy et al. (2001:6) put it, "in terms of dimensions, poverty can be seen as lack of access to tangible basic needs such as food, clothing, shelter, water, nutrition and health, education, as well as intangible ones like human dignity and freedom."

Rural women entrepreneurs: Borrowing from Belandress (1987), rural women entrepreneurs are those who are involved in manufacturing or non-manufacturing service enterprise in which the owner-manager is not necessarily actively engaged in production but performs the varied tasks involved in guidance and leadership without the help of a specialized staff. They are family based, unregistered by the government and lack collateral assets that are bankable.

2. 0. LITERATURE REVIEW

2. 1. Introduction

Empirical literature on micro-finance programs in Burundi appears to be non-existent. It appears also that there is no evidence of the existence of prior research on the subject of the viability of these programs to empower rural poor women entrepreneurs. Out of the 141 studies done on women and children in Burundi, none of them has dealt with the issue of micro-finance, empowerment of women and entrepreneurship (CURDES, 1985). Indeed, as one goes through literature and various Internet websites, it appears that the volume of literature on micro-finance is larger and has been growing faster in Asia as compared to Africa and other parts of the world.

This literature review therefore focused on the studies that have been conducted by experts in the area of micro-finance programs and the empowerment of rural poor women entrepreneurs outside of Burundi. It aims at answering the questions that will guide this study by outlining the areas that have been covered by other researchers and establishing eventual gaps in knowledge and areas of misunderstanding and uncertainty.

The sections covered in this chapter are: a survey of empirical and theoretical literature: How far micro-finance programs are reaching rural poor women entrepreneurs, the material and material benefits of micro-finance programs for rural poor women entrepreneurs at both the individual and household levels, conceptual framework and hypotheses.

2. 2. A survey of empirical and theoretical literature

This was an exploration of what other scholars have done on the subject matter of this study. This led to the identification of strengths and gaps, which helped build the case for this study.

2. 2. 1. How far micro-finance programs are reaching rural poor women entrepreneurs

According to Yaron (1994) as cited by Sergio Navajas, et al. (2000:5), judgments on the performance [or viability] of micro-finance organizations have been based on the concepts of outreach and sustainability. Outreach here refers to the social value of the output of a micro-finance organization in terms of depth, worth of users, breadth, length, and scope. (Navajas et al., 2000:5). Sustainability means permanence, the social goal being not to have sustainable micro-finance organizations but rather to maximize expected social value minus social cost discounted through time. (Ibid.). A Rhyne (1998) puts it, sustainability should not be taken as an end in itself but rather means to the end of improved social welfare.

According to Wood et al. (1997:274), there is a criticism against NGOs for not reaching poor households or for their failure in strict adherence to the target group criterion. NGOs are accused of including the marginally better off households at the expense of the poorest. "Perfect recovery of loan is the goal of most NGOs. They consider loans to the poorest group as an obstacle to that goal." (Ibid.) On the contrary, according to the same authors, it can be argued that all extreme poor cannot be accused of loan default. They give an example of an NGO whose members are extremely poor and yet 99 per cent of the loan is recovered. Those who exclude the poor on those grounds fail to recognize that the marginally better off could still be loan default. (Wood et al. 1997: 275). This can happen in many ways such as running away from the area, loss of assets or business opportunities, etc.

2. 2. 2. The material and non-material benefits of micro-finance programs for rural poor women entrepreneurs at both the individual and household levels

There may be many material and non-material benefits of micro-finance programs for rural poor women entrepreneurs at both the individual and household levels. This part there explores the main ones, which are necessary for this study.

1. The material and non-material benefits

(a) Income enhancement and its effects

According to Wood et al. (1997:101), the assumption "low income, credit investment, more income, more credit, more investment, more income" is not always

true for all financial programs. As Wood (Ibid.) points out, income impacts are just a snapshot of a constantly changing situation and different schemes achieve different results.

However, according to him three general points can be drawn: First, well-designed lending programs can improve income; second there is a clear evidence that the impact of a loan on borrower's income is related to the level of income. Wood's findings indicate further that credit schemes are most likely to benefit the incomes of the 'middle' and 'upper' poor, the poorest or 'core poor' (he quotes Rahman and Hossain 1992) receiving few direct benefits from income generating credit initiatives and therefore there is need for alternative assistance strategies that need to be developed.

According to the Bulletin on Asia-Pacific perspectives (2002/2003:70), it appears that financial services, particularly, micro-credit, do bring about an increase in household income. The enhanced income leads to many other economic benefits, which have a multiplier effect on people's standards of living, enhancing basic household welfare such as food security, nutrition, shelter, sanitation, health, and education services. People are also prevented and extricated from debt and liberate people from moneylenders who charge them as high as 100% annual interest. Small businesses are improved or started and employment generated due to savings and credit services. As clients become more productive this leads to income increase, which facilitates the accumulation of savings. These savings can be used in turn for

important household expenditure, investments and emergencies as well as insurance against sudden crises. MFIs provide appropriate saving facilities that offer a combination of security of funds, liquidity, positive real return, and convenience compared to the saving in a variety of traditional ways. The Bulletin on Asia-Pacific Perspectives (Ibid.)

The question that seems to have not captured the attention of most researchers is whether the target groups of the micro-finance programs should keep "going micro and not macro".

(b) Access, ownership and control of productive resources

As the Bulletin on Asia-Pacific Perspectives (2002/2003:72) indicates, "one promising strategy is the use of market-driven measures to enable the poor to own and operate enterprises to add value to the primary products they produce". This bulletin gives some examples of how some MFIs have helped poor women entrepreneurs to own assets and enterprises. For example, some micro-finance programs have helped their female clients to purchase or lease land, especially through self-help groups.

However, it should be noted that, although some researchers seem to suggest that women should own and control their assets, it is not a good idea in all cultures for this would be a way of destroying harmony and unity in the household. Neither would be a good idea for the asset to be owned by the husband alone. In the Burundian

context, it would sound better for the asset to be owned and controlled by the husband for the good and on behalf of the household. (Vekemans, 1974:34-35).

It should be also noted that available literature review has failed to be specific on what kind of productive resources rural poor women entrepreneurs are likely to have access to and how beneficial are those productive resources. The available literature does not indicate to what extent rural poor women entrepreneurs have access to information, which is another productive resource. The question also remains as to how effective the illiterate rural poor women use and benefit from those productive resources. These are just a few gaps on the issue of access, ownership and control of productive resources by rural poor women otherwise there could be more questions than these.

(c) Increased self-confidence and self-esteem

The term self-confidence is related here to "Kabeer's concept of agency that allows women to define and achieve goals as well as the sense of power women have within themselves". (Cheston et al., 2002:19). This definition seems to concur with the *Report of the Workshop on Social mobilization, Credit and Women Empowerment*, (2002), that empowerment is not just about access to resources but also mental spaces, especially the ability to question and challenge hierarchies. This cannot take place unless women have developed a sense of the potential they have to change or make things happen to meet goals that positively affect their lives and those of others.

As Cheston et al. (2002) put it, "the basic theory is that micro-finance empowers women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities." According to these authors, it is also believed that this economic empowerment will generate increased self-esteem, respect, and other forms of empowerment for women beneficiaries. Furthermore, it is expected that involvement in successful income generation activities will translate into greater control and empowerment.

As the ILO (2003), observes, it appears that micro-finance initiatives address social and psychological issues that hinder people from realizing their potential. "A steady income, a savings account, training, and the discipline to honor loan repayments usually raise the self-esteem and status of clients, in societies where they are often treated as second-class citizens."

However, Cheston et al. (ibid.) argue that closer examination shows that the equation may not always hold true and that complacency in these assumptions could lead MFIs to overlook both opportunities to empower women more profoundly and failures in empowerment.

(d) Women's status and gender relations

It has been found out that in spite of the difficulty some men have in accustoming themselves to their wives' new role, most women report improved relationships with

their husbands and families. However, there is limited evidence of changes in gender roles within the household, which leads to wife having workload increased. On the other hand " It has been reported that the involvement of women self-help groups in income –generating activities has brought about violence against women in the household." (Bulletin on Asia-Pacific Perspectives, 2002/2003:74). The same Bulletin observes however that although this may be true in some cases, there are also reports that indicate the decrease in violence. This is because some men have come to realize and also appreciate the importance and value their wives bring to the households.

According to Cheston (2002:22), micro-finance and micro-enterprise support programs have indicated that micro-finance programs lead to greater legitimacy and value to women's views and that they get more entitlements than they would have otherwise have.

(e) Participation in decision-making at the household level

As Cheston et al. (2002:18) observe, the majority of scholars consider women's ability to influence or make decisions that affect their lives as one of the major components of empowerment. According to Cheston et al. (2002:19), it is assumed that access to credit and participation in income generating activities strengthen women's bargaining position within the household, thereby making it possible for them to influence greater number of strategic decisions. For example, it has been found from 13 clients of URWEGO, a World Relief partner in Rwanda, that 38 per cent

of the clients experienced an increase in their ability to control or influence business decisions in their families (Ibid.).

As Cheston et al. (Ibid.) rightly observe it is much less clear what types of decision making and what degree of influence should be classified as empowerment in different contexts.

(f) Sense of accountability

“Accountability refers to the ability to call public officials, private employers or service providers to account, requiring that they be answerable for their policies, actions and use of funds.” (World Bank Poverty Net, 2002). It should be added that accountability should be also related to the clients and the lending institutions where both parties have to be accountable to each other.

Although it has been reported by ILO, (2003) that women are able to address issues beyond their work place as a result of their involvement in micro-finance programs there is scarcity of evidence to confirm whether this is happening among clients of micro-finance programs.

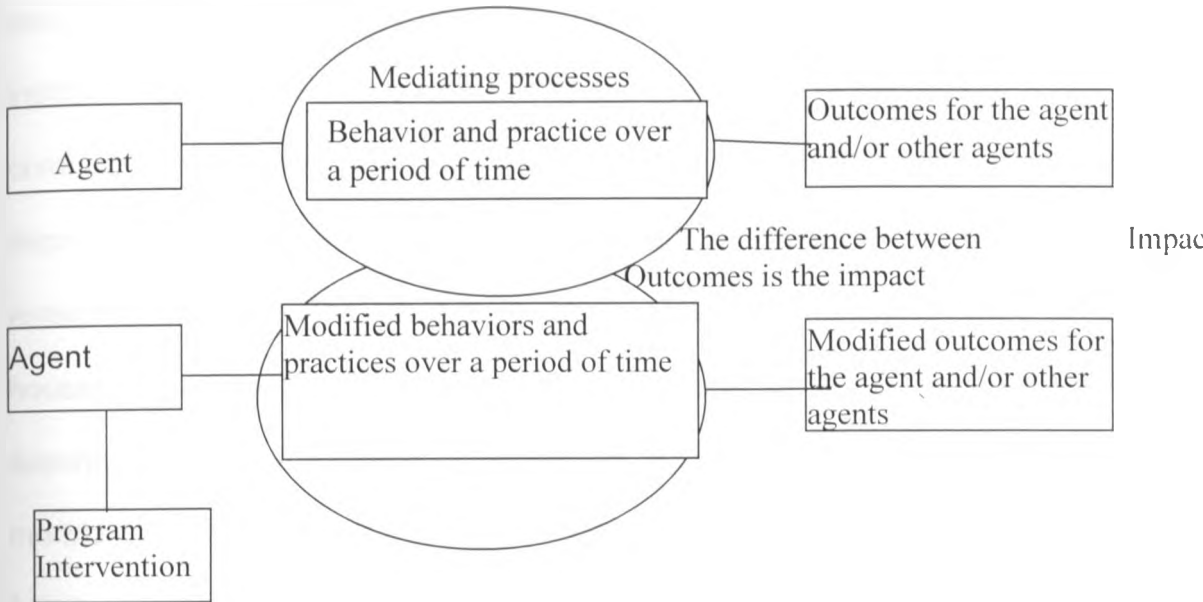
2. 3. Conceptual framework

2. 3. 1 The Conventional Model of the Impact Chain

According to Hulme (1997:4), all impact assessments have a conceptual framework at their heart. According to him (Ibid.), there are three main elements to a conceptual

framework, namely a model of the impact chain that the study is to examine, the specification of the unit(s), or levels, at which impacts are assessed, and the specification of the types of impact that are to be assessed.

Figure 1: The Conventional Model of the Impact Chain



According to Hulme (1997:5), behind all micro-finance programs is the assumption that intervention will change human behaviors and practices in ways that lead to the achievement (or raise the probability of achievement) of desired outcomes. Impact assessments, according to Hulme (Ibid.) seek to find out the difference in the value of key variables between the outcomes on 'agents' (individuals, households, among others) which have experienced an intervention against the values of those variables that would have occurred had there been no intervention. As the above figure shows all changes are influenced by mediating processes (specific characteristics of the

agent and of the economic, physical, social and political environment) that influence both behavioral changes and the outcomes in ways that are difficult to predict (Sebstad et al, 1995: 15).

As Hulme puts it, in a conventional micro-finance project, a package of technical assistance and capital changes the behavior (and products) of a micro-finance institution (MFI). The MFI subsequently provides different services to a client, most commonly in the form of a loan. These services lead to the client modifying her/his micro-enterprise activities, which in turn leads to increased or decreased micro-enterprise income. The change in micro-enterprise income causes changes in household income, which in turn leads to greater or lesser household economic security. The modified level of household economic security leads to changes in morbidity and mortality of household members, in educational and skill levels and in future economic and social opportunities. Ultimately, perhaps, these changes lead to modifications in social and political relations and structures.

From the explanation of the above Conventional Model of the Impact Chain, it is possible to analyze the findings of this study using this model and measure the role of micro-finance programs in empowering rural poor women (agents). In other words, this model will help conclude whether or not micro-finance programs help rural poor women get socio-economic benefits which constitute the indicators of women's empowerment as previously discussed.

From this model the following hypotheses have been formulated.

2.3.2 Grameen Bank Scheme or Model: Lending through groups

According to Rogaly (1999:38-39), the Grameen Bank tend to work through groups which is referred to as “group-based finance” or “solidarity group lending schemes. In this model, group members are jointly liable for each other’s loan. This is used as “social collateral” instead of the required physical collateral such as land or formal assets which formal lending institutions require and which poor people can’t afford. The rationale behind this model is that if a member is having difficulty with repayments, others in the group are expected to put pressure on that member to repay; otherwise the whole group has to repay the loan on behalf of the member.

2. 4. Hypotheses

Hypothesis 1: The creditworthiness of rural women entrepreneurs influences the chances of obtaining credit and other micro-finance services.

Hypothesis 2: Rural women entrepreneurs who have obtained credit and other micro-finance services improve performance of their micro-enterprises.

2.5 Independent and dependent variables

Hypothesis 1

Creditworthiness was measured by

Independent variables:

- Age
- Education
- Experience in business
- Marital status

Dependent variable:

- Chances of obtaining Credit
- Chances of obtaining business training
- Chances of obtaining business advice

Hypothesis 2:

Performance of micro-enterprise was measured by:

Independent variable:

- Obtaining credit
- Chances of obtaining business training
- Chances of obtaining business advice

Dependent variable:

- Increase in stock
- Increase in employment
- Increase in equipment and tools
- Increase in income

2. 6. Operational definitions

Creditworthiness: This is an assessment of the client's ability to pay back a loan.

This ability can be determined by one's age, level of education, marital status, type of business enterprise, group membership.

Age: In this study, age refers to a certain period of the rural women life considered appropriate for her to obtain credit. It is grouped into three categories: 15-24 age category, 25-34 age category, and 35 and above age category.

Education: It has to do with years of formal schooling such as primary school, high school and university level.

Training in business: This refers to the instruction and practice in bookkeeping, stock management, costing, business planning, marketing among other things.

Experience in business: This is measured in terms the number of years a rural woman has spent doing business prior to applying for credit.

Increase in number of employees: this refers to the number of workers hired by the rural woman entrepreneur to work for wage or salary.

Increase in equipment and tools: Equipment here refers to outfits, cars or trucks, furnishings and the tools refer to knives, typewriters, papers, baskets, books, sawing machine, among other things.

2. 7. Summary

Research findings indicate that micro-credit is limited in reaching the poorest of the poor. According to Mosley and Hulme (1998); Morduch, (1998b), "even when micro-credit does reach the poorest, it may not increase incomes as much as smooth consumption and diversify income". However, Navajas et al. (2000:30), argue that "even if it turns out that micro-finance organizations do not reach relatively or even absolutely many of the poorest, this shallow depth may be more than balanced by net gains that accrue to those near the poverty line".

According to The report on social mobilization, credit and women's empowerment (2002), "there is no linear relationship between access to credit and women's empowerment: access to money is a precondition to women's empowerment, but not a sufficient condition". The findings of the same report show that "...while micro-credit programs have definitely reached the poor, reaching the poorest has indeed been very difficult". Examples mentioned include the exclusion of some groups from the micro-finance services and these include young women, elderly women, chronic migrants, differentially able, etc.

Dr. Sen, gender Adviser for UNDP, in the report of the workshop on social, credit and women's empowerment (2002), indicates that not every micro-credit program reduces poverty or empowers women. He argues that neither it is true that long-term micro-credit programs will lead these two objectives to ultimately coalescing.

Due to the remoteness of some areas and other reasons, the report on social mobilization, credit and women's empowerment (2002) suggests rather the introduction of savings in the form of grains and seeds, and micro-services like grain bank, medicines, herbal gardens, etc.

Navajas et al. (2000:30) leave the reader in some kind of suspense when they say that micro-credit may or may not be a good development of gamble. According to them, if the donors as well as governments are interested in social welfare, they need

to check whether micro-credit is the best strategy to spend public funds earmarked for development.

The literature review has provided enough evidence that there is really need for more research in the area of micro-finance programs, especially in terms of their viability for the empowerment of rural poor women. This is rightly so, particularly in the case of Bujumbura rural where there seem to be no information about the programs.

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3. 0. RESEARCH METHODOLOGY

3.1. Introduction

In the previous chapter, the literature was reviewed to answer the research question that guided this study. The conceptual apparatus were defined and hypotheses were also formulated. In this part, the Methodology that was used in this study is explained. Before proceeding further, it may be important to make a distinction between “methodology” and “method”, as used in this study.

According to Murthy et al. (2001) “methodology refers to the conceptual framework underlying the strategy, while methods refer to the tools used during the study. Simply put, this basically entails a description of the study site, sampling design, data gathering and analysis tools.

The study relied primarily on first-hand data collection techniques such as the interview schedule and questionnaire. The data collected was both manually and electronically coded, then grouped and interpreted using both descriptive and inferential statistics. The computer program known as SPSS (Statistical Package for the social Science) was used to compute statistics.

The main parts of this section include site description, population of the study, unit of analysis, sampling, methods of data collection, and data analysis.

3. 2. Site description

The proposed study was carried out in Bujumbura rural province, which is situated in the western part of Burundi. It is divided into 11 communes, namely Mutimbuzi, Mubimbi, Isale, Mugongo, Kanyosha, Nyabiraba, Kabezi, Mutambu, Mukike, Muhuta and Bugarama. According to the UNDP report on human development in Burundi (1999:36), Bujumbura rural province has an area of 1,233 km², i.e. 4.7 per cent of the national area (27,830 km²). In 1998, its population was 426,693 people with a population density of 347 inhabitants per km².

Some of its main activities include trade, artisan works, agriculture, etc. In 1998, income per capita was 410 \$ US. Illiteracy rate was 64 per cent. Other characteristics of this area include remoteness, limited social infrastructures such as roads, hospitals or medical centers, etc.

3. 3. Population of the study

The population of the study consisted of 110 rural women entrepreneurs and a micro-finance institution that was supporting them. These women were all from Bujumbura rural province and were involved in different types of micro-enterprises.

3. 4. Units of analysis

The units of analysis comprised of a micro-finance institution and rural women entrepreneurs who were being assisted by the institution that time.

3. 5. Sampling

A random sample of 65 (59%) rural women entrepreneurs was selected among the 110 clients belonging to Mubone sub location of the commune of Mubone in Bujumbura Rural province. The communes of Kanyosha and Isale were not considered in the sampling because of the fierce fighting that was taking place there.

There was only one Micro-Finance Institution to study, since, according to the available list of MFIs, it was the only official one currently involved in micro-credit program in Bujumbura Rural province. (OCHA, 2002).

In addition to the rural women entrepreneurs, the coordinator of micro-finance programs in the institution was also interviewed.

3. 6. Methods of data collection

The study used primary sources of data. A combination of interview schedule, and questionnaire was used.

3. 6. 1. Women survey

In this survey, an interview schedule was used. According to Kerlinger (1964), an interview schedule refers to a set of questions, which are administered to the researched by the researcher and/or his or her assistant. They can also be mailed to the respondents with clear and specific guidelines or instructions on how to answer the questions.

To get good results the researcher had to first of all build a rapport with the prospective respondents to avoid suspicion and the feeling of being a stranger.

This method proved to be very relevant especially because the population that was under study was predominantly illiterate (according to the 1999 UNDP report on human development in Burundi, about 75 per cent of women are illiterate in Bujumbura rural province). Questions were both open-ended and closed-ended. Open-ended questions gave the opportunity to respondents to express themselves exhaustively.

3. 6. 2. Micro-finance Institution survey

A Questionnaire, comprising both open-ended and closed-ended questions, was used to collect data from the micro-finance Institution, through the coordinator in charge of micro-credit program. Open-ended questions allowed him to express his views exhaustively.

3. 7. Data analysis

The data was coded manually then entered into the computer for analysis. The Statistical Package for Social Sciences (SPSS) program was used where it was possible and necessary. The types of statistics that were used include descriptive and inductive statistics as described below.

3. 7. 1. Descriptive statistics.

According to Blalock (1978) descriptive statistics aim at giving a concise picture of the data by organizing, summarizing and presenting data. This category of statistics includes, among other things, the mean, mode, range, percentages, and tables. The mean and the mode were used to show the location of cases, and the percentages were used for the standardization of scores. The range served to show the difference that exists between maximum and minimum scores. Tables, served as pictorial representations of the data for a quick interpretation of the latter.

3. 6. 2. Inductive statistics

The inductive, also known as inferential statistics are used for the purpose of generalization of sample statistics for the population parameters. Cross tabulation were used in order to be able to compute correlation statistics. Nie et al. (1997) defines cross tabulation as joint distributions that indicate the respondents' score in one variable against another or other variable(s).

This study used the Pearson's chi-square to establish the relationship between variables.

The value of the X^2 was obtained by using the formula $X^2 = \sum \frac{(O-E)^2}{E}$

Where O denotes the observed frequency, and E, the expected frequency.

Degrees of freedom (df) for each table are obtained by using the following formula

$$df = (C-1) (R-1)$$

C here stands for the number of columns, and R, the number of row categories in each table.

The level of significance of association (P) between variables was obtained by using the X^2 distribution tables.

The level of significance used to test the hypothesis was 0.05. Unless otherwise specified, the total number of responses in the tables was 49.

4.0 DATA PRESENTATION

This chapter presents collected data on the viability of micro-finance programs to empower rural poor women entrepreneurs. The study sought to meet three objectives: first, to measure how far micro-finance programs are reaching the rural poor women entrepreneurs; second, to determine the material and non-material benefits and costs of micro-finance programs for rural poor women entrepreneurs at both the individual and household levels and third, to determine whether micro-finance programs are a panacea for women's empowerment.

After collecting data from the field they were organized, analysed, interpreted and presented as data collection and response rate; background of the studied Micro-finance Institution and rural poor women entrepreneurs; performance of the studied micro-enterprise; standard of living of the studied rural poor women entrepreneurs.

This chapter was subdivided into four sections, namely data collection and response rate, background of the studied micro-finance institution, credit worthiness of the respondents, type of training, amount of money borrowed, percentage of those who lagged behind in repayment, reasons for lagging behind in repayment, micro-enterprise performance.

4.1 Data collection and response rate

Out of the 65 sampled rural poor women entrepreneurs, 49 (75%) of them (72%) were available for interview. The remaining 16 (25%) women were nowhere to be found. Most of them are those who lagged behind in paying back the loan and feared being arrested by the police or agents of the MFI. However, there was a 100 per cent response rate from those who presented themselves for interview, except for a few missing answers for some questions, due to mainly forgetfulness and inapplicability of the questions to their cases. E.g. those who received the loan and did not use it could not answer some of the questions because they were not relevant to them. The three key informants were all available for interview.

4.2 Background information of Micro-finance Institution

The studied Micro-finance Institution is a Christian NGO. However, being a MFI is one of its mandates besides other activities related to propagating the word of God. It was established in 1997. It operates in different areas of the country namely Bujumbura rural and urban, Bubanza, Muramvya and Bururi. Any widow who wants to get a loan from the MFI has to associate herself with others to make a group of at least 5 widows. For those who are already members of an association or church it becomes easier for them to apply and get the loan. What they need to do is to get the commendation from their leaders or pastors. By the time the study was being carried out, the MFI had reached 84 groups of widows.

In terms of services, it provides the rural poor women entrepreneurs with micro credit, saving services, and counselling.

The clients must come from the five geographical area mentioned above and must belong to a Christian church. It is the pastor of the church who selects prospective clients, the main criterion being business background experience. The group here is used as a security measure and the pastor as the main contact person and intermediary between the client and the MFI.

Before the loan is given, the coordinator of the micro-credit program convened a meeting to explain the process of borrowing and repayment. Afterwards an initial capital of 25,000 FBU (US \$24) is given to the individual client. Clients who have paid back the loan on time, that is after four months, with the repayment of 3 per cent interest per month, are given additional capital or loan to continue their businesses. The loan doubles each time the client comes back to borrow money but it cannot go beyond 300,000 FBU (US \$ 285).

Only 10 percent of the clients have paid on time, which has weakened the MFI. Though it was not possible to establish the percentage of those who have failed to pay back the loan or that of the dropouts, the micro-credit program coordinator recognizes that they are many. The problem here is based on the fact that no one has declared solemnly that they have dropped out or will never pay back the loan.

4.3 Creditworthiness of the entrepreneurs

4.3.1 Age grouping of respondents

As table 1 indicates, the age range is between 20 years and 57 years. The large percentage of the studied MFI members fall into the 31-40 years age group (38.3%) followed by the group of the 41-50 years (23.4 %) which is closer to the group of the 20-30 years (21.3 %). Those who are over 50 years old account for only 17%. Only 4,1% did not know their age group at all.

The high percentage of the middle and young adults (38.3% and 23.4% respectively) suggests the priority given to the more active and mature widows as compared to young adults or widows and old widows (21.3% and 17% respectively) who are either not mature enough or are not more active or aggressive in terms of carrying on business.

Table1 Age grouping of respondents

Age group in years	Frequency	Percent	Valid percent	Cumulative percent
Valid 20-30	10	20.4	21.3	21.3
31-40	18	36.7	38.3	59.6
41-50	11	22.4	23.4	83.0
50+	8	16.3	17.0	100.0
Total	47	95.9	100.0	
Missing System	2	4.1		
Total	49	100.0		

4.3.2 Education levels

The level of education attained by respondents ranged between no education at all or completely illiterate, which was the highest percentage (32.7%) and Upper secondary, which is the lowest percentage (2%) (see table 2). This is not surprising given the fact that about 75 per cent of women are illiterate in Bujumbura rural province (1999 UNDP report on human development in Burundi). Only 8.2 % made it up to lower secondary, 22.4% complete primary education, and 24.5% did not complete their primary education and thus, with time some of them have forgotten how to read and write. Only 10.2% went through adult literacy training but some of them did not complete the lessons and therefore are not functionally literate. This high rate of illiteracy justifies some of the difficulties some widows experienced in doing their businesses, as it will be discussed further in this chapter.

Table 2 Education level

Level	Frequency	Percent	Valid Percent	Cumulative Percent
Valid None	16	32.7	32.7	32.7
Literacy training	5	10.2	10.2	42.9
Primary completed	12	24.5	24.5	67.4
Primary incomplete	11	22.4	22.4	89.8
Lower secondary	4	8.2	8.2	98.0
Upper secondary+	1	2.0	2.0	100.0
Total	49	100.0	100.0	

4.3.3 Marital status of the studied MFI clients

Though the official criterion for recruitment in terms of marital status is widowhood, some people managed to cheat the MFI officials. As table 3 shows, some of them are married (20.4%) and others are divorcees (12.1%). Widows constitute about 67%. This constitutes one of the setbacks of the MFI in that it could not meet its objective of reaching out to the widows alone. The problem started from its church or local association partners, who were accomplice in selecting people whom they knew very well that were married or had divorced. However, it should be also noted that it is not easy to control such incidences due to the fact that widows can remarry, especially the young ones, after they have borrowed money from the MFI it becomes difficult for them to give up the opportunity of borrowing money, especially because some of them get married to husbands who are not financially stable. Another problem arises from the fact that the person who is in charge of selecting the potential clients cannot find people who are capable of conducting businesses. For example some of the clients are more comfortable with farming rather than conducting businesses. There is also a problem of nepotism, favoritism, and corruption in some instances.

Table 3 Marital status of the studied MFI clients

Marital status	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	10	20.4	20.4	20.4
Divorced	6	12.2	12.2	32.6
Widowed	33	67.3	67.3	100.0
Total	49	100.0	100.0	

4.3.4 Type of business

The majority of the respondents are in businesses other than hawking, poultry, and catering. About 81.6% are involved in petty businesses, farming or a combination of the two (see table 4). By petty business here, one should understand a combination of small businesses such as selling vegetable oil, cassava flour, drinks, cloths, food items, and the like. It should also be noted here that though the MFI's strategy is to help clients get involved in businesses, some of them cheated them and invested some of the loan money in farming without the knowledge of the MFI officials. This was done because business alone was not proving successful. According to the MFI officials, this practice of not sticking on business alone is one of the causes of the failure of some of the clients thus the failure of the MFI due to the many areas emanated from the failed clients.

Table 4 Type of business

		Frequency	Percent	Valid	Cumulative Percent
Valid	Hawking	4	8.2	8.2	8.2
	Poultry	2	4.1	4.1	12.2
	Catering	3	6.1	6.1	18.4
	Any	40	81.6	81.6	100.0
	Total	49	100.0	100.0	

4.3.5 Experience in business

The majority of the respondents (57.1%) have been in business for more than 5 years (see figure 2). Those who have been in business for 1 to 2 years constitute 22.4% while those who have been in business for 3 to 4 years constitute 20.4%

However the majority (57.1%) are those who have been either farming or doing both farming and business. From the above figures it appears that though business experiences is one of the criteria for a widow to get a loan, some of them had no business experience at all, and if they did it was not enough or genuine. They only had to abide to the rules and requirements of the MFI.

Figure 2 Experience in business



4.4 Amount borrowed

Table 6 indicates that the money borrowed by different respondents ranged from 25,000 FBU (US \$ 24) and 300,000 FBU (US \$285). 49 % of the respondents indicated that they received 25,000 FBU but very few got above 100,000 FBU. This is an indication that very few succeed in their businesses which was the prerequisite for getting more loans.

Table 5 Amount borrowed

Amount in FBU		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25,000	24	49.0	49.0	49.0
	50,000	5	10.2	10.2	59.2
	100,000	15	30.6	30.6	89.8
	175,000	1	2.0	2.0	91.8
	200,000	3	6.1	6.1	97.9
	300,000	1	2.0	2.0	100.0
	Total	49	100.0	100.0	

4.5 Percentage of those who lagged behind in repayment

Many respondents (57.1%) confessed that they lagged behind in repaying the loan.

In other words more than half of the respondents had difficulties paying back the loan.

due to many reasons as described below. See table 7.

Table 6 Percentage of those who lagged behind in repayment

Answer		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	28	57.1	57.1	57.1
	No	21	42.9	42.9	100.0
	Total	49	100.0	100.0	

4.6 Time length of arrears

More than half of the respondents have lagged behind for 1 to 12 months while 25% could not remember at all how many months they have lagged behind in repaying the loan. These are the clients who took the loan in 1999 and had not paid it back until the time this study was carried out. In other words some respondents have not been able to pay back the loan for about 5 years.

An important note should be made here on the respondents who fall in the missing system category. These are the respondents who took the loan and later on handed it over to other people because they felt they were not able to use the money for business due to lack of experience and thus feared entering into more problems in paying back the loan. However, what they tried to avoid is what they experienced because the persons they handed the money over to did not pay back the loan and it has been about 5 years now. They were hoping to share interest with those people who betrayed them. They are therefore not willing to admit that they really owe money to the MFI since they did not use the money. This indicates that the number of those who have arrears is far beyond the 8.3% (see table 8) of those who have arrears of between 4 and 5 years. But according to the MFI, they are responsible for the arrears because the institution has their names in its registry. In that case more than 55% are in arrears of about 5 years.

Table 7 Time length of arrears

Time	Frequency	Percent	Valid Percent	Cumulative Percent
Valid don't know	6	12.2	25.0	25.0
1-12 months	13	26.5	54.2	79.0
1-2 years	3	6.1	12.5	91.5
3-5 years	2	4.1	8.3	100.0
Total	24	49.0	100.0	
Missing System	25	51.0		
Total	49	100.0		

4.7 Reasons for lagging behind in repayment

The main reasons for lagging behind in repaying the loan include lack of business skills, robbery, sickness, fine for illegal trade, miscalculation, and previous debt repayment. From the respondents' answers, there are two main reasons that justify the failure of their businesses, namely, robbery, the main cause, according to 44% of the respondents, and sickness, according to 24% of the respondents, as indicated by table 9. Many respondents complained that robbers took away the capital and/or business items and thus could not continue with their businesses.

Table 8 Reasons for lagging behind in repayment

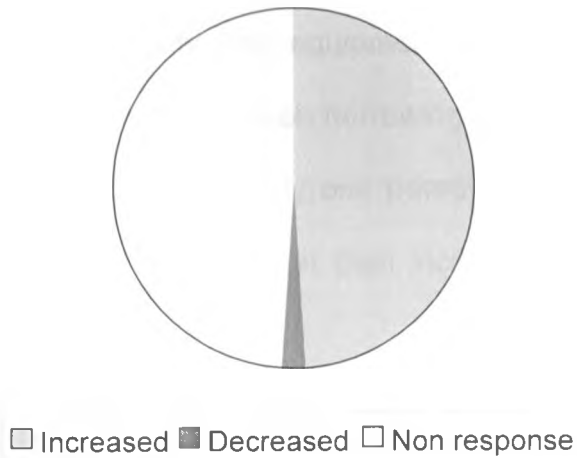
Reason		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lack of business skills	4	8.2	16.0	
	Robbery	11	22.4	44.0	
	Sickness	6	12.2	24.0	6
	Fine for illegal trade	1	2.0	4.0	8
	Miscalculations	2	4.1	8.0	8
	Previous debt repayment	1	2.0	4.0	9
	Total	25	51.0	100	10
	Missing system	24	49.0		
	Total	49	100.0		

4.8 Micro-enterprise performance

4.8.1 Stock

In-depth interviews with the rural poor women entrepreneurs indicated that 96% of the respondents who were able to use the loan for businesses were able to increase their stock. Figure 3 shows that only 4% of them indicated that the stock decreased rather than increasing. Though it was difficult for most of the respondents to specifically quantify the increase, they could remember, in an abstract, how small their stock used to be to some and how for others it increased from zero for they had nothing in terms of stock.

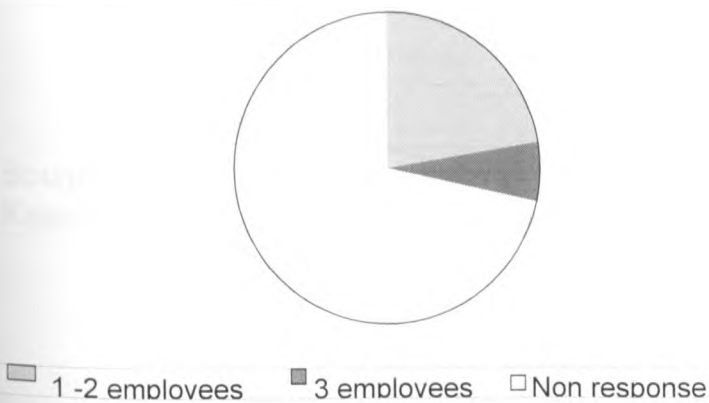
Figure 3 Stock improvement



4.8.2 Employment creation

Answers to the in-depth interviews revealed that at least 14 respondents were able to hire between 1 and 3 casual employees (see figure 4). Some of them were paid daily, others weekly, or periodically according to the availability of the work. The majority of the respondents were not able to hire any employee partly because they failed in business but also due to lack of sufficient loan, they complained.

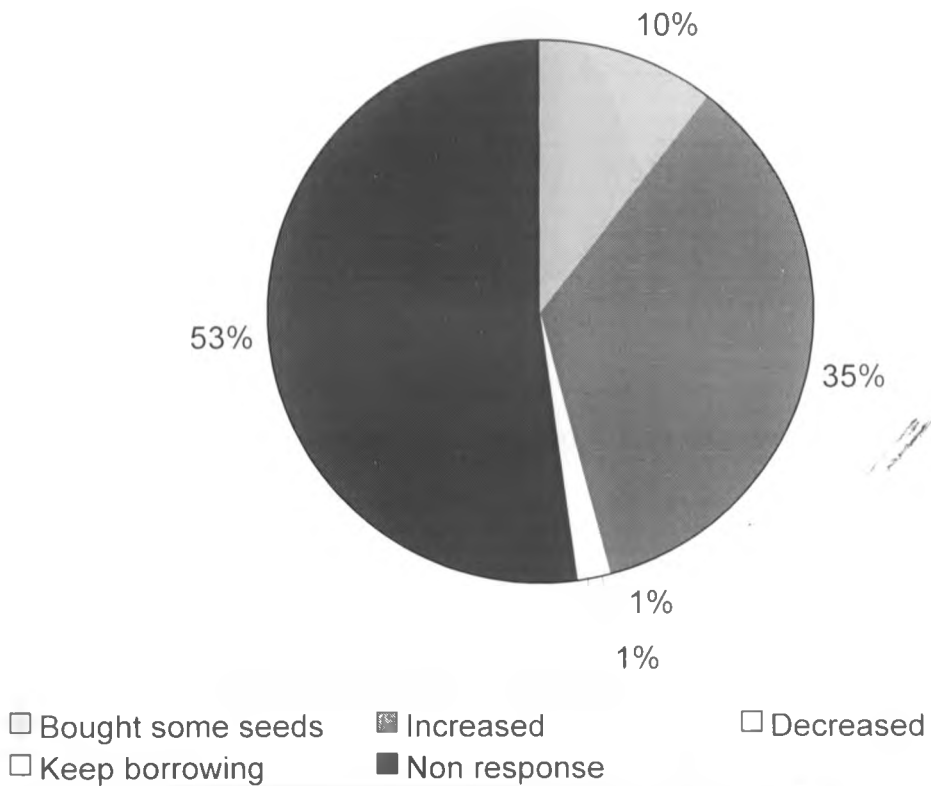
Figure 4 Employment creation



4.8.3 Equipment and tools

According to figure 5, more than 90% of those who put their money in business were able to increase and diversify their equipment and tools. For some, it was the first thing they bought since they had been borrowing or hiring tools and equipments from neighbors, relatives or friends. Only one person indicated that the number of he tools or equipments decreased rather than increasing. One person kept borrowing tools or equipment.

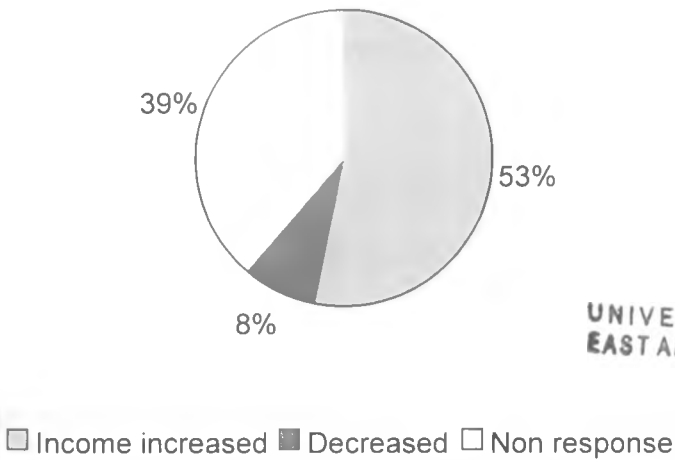
Figure 5 Equipment and tools



4.8.4 Income

More than 86% of the respondents indicated that their daily or weekly income increased though they could not substantiate it in terms of percentages or figures due to their level of education mainly. It is only 13.3% that experienced a decrease in daily or weekly income due to the difficulties they encountered in businesses (see figure 6).

Figure 6 Income



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4.8.5 The contribution of other micro-finance services to business improvement

Many respondents, that is, about 59%, did not recognize the importance of the services of the MFI other than the loan in their business success. They could not remember in which way the services could have helped them succeed in business.

Only 41% acknowledge the role other MFI services have played in their business success (see table 10).

Table 9 The contribution of other micro-finance services to business improvement

Answer	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	19	38.8	41.3
	No	27	55.1	58.7
		46	93.9	100.0
Total	3	6.1		
Missing	49	100.0		
system				
Total				

4.8.6 Specific micro-finance services that have helped improve business

The outstanding service that appears to have helped some respondents succeed in their businesses is counseling which built in them a sense of worth and dignity. At least 55% have indicated that counseling helped them, even in day-to-day life such as how to cope with widowhood, good morals. The provision of school materials by the MFI proved beneficial for some respondents, that is, 20% of them (see table 11). They indicated that the money they would have used to buy the school materials is invested in business or could be used to buy something else.

Table 10 Specific micro-finance services that have helped improve business

Service		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business diversification	5	10.2	25.0	25.0
	Counseling/good behavior	11	22.4	55.0	55.0
	Support/School materials	4	8.2	20.0	100.0
	Total	20	40.8	100.0	
	Missing system	29	59.2		
	Total	49	100.0		

4.9 Case studies and key informants

Two case studies and four key informants indicated that some women succeeded very well and were able to become self-reliant. For example, they were able to send their children to school, could feed their children, and dependent on themselves. The same most successful women entrepreneurs were able to buy basic things for their households such as furniture, land, and clothing. Some of them built houses or renovated them, ventured into new businesses or expounded them. Due to this success they felt they could even borrow 1000,000 FBU (US \$ 1000). Confidence and self-esteem were built in them and this has led some of them to become leaders of local associations. Another good and encouraging example is that of a group of women among the most successful ones who now are involved in wholesale business. They go up to Uganda to get business commodities and come back to sell them in the central market in the capital city Bujumbura.

4.0 DATA ANALYSIS

This chapter deals with the nature of the relationship between the independent and dependent variables. In hypothesis one, the independent variables consist of age, education, and type of business enterprise experience in business, and marital status. The dependent variables consist of Chances of obtaining credit, and business training. In hypothesis two, the independent variables include chances of obtaining credit, business training, and business advice. The dependent variables are made up of increase in stock, increase in number of employees, increase in equipment and tools and increase in income. The Pearson's Chi-square (X^2) has been used as to test the independence or relationship that exist between the independent and dependent variables. It has also been used to test for the level of significance of the relationship that exists between the variables.

Hypothesis 1: The creditworthiness of rural women entrepreneurs influences their chances of obtaining credit and other micro-finance services.

5.1.1 The relationship between age grouping of respondents and the chances of obtaining business training

None of the tables below appear to indicate that there is any significant relationship between the variables under study. For example, Table 12 indicates that there is no

relationship between age and the respondents' chances of obtaining business training. This is explained by the fact that the calculated chi-square value is far below the table chi-square, that is 2.558 as compared to 7.815.

This finding is in agreement with the answer provided by the micro-finance institution co-coordinator. According to him, age is not considered as one of the criteria for selecting the clients for any services provided by the MFI, including training. The organization uses common sense when it comes to this issue of age. Since no child can be a widow, they assume that any widow is mature enough when it comes to age considerations.

Table 11 The relationship between age grouping of respondents and the chances of obtaining business training

Count		Training by MFI		Total
		Yes	No	
Age grouping of respondents	20 to 30	7	2	9
	31 to 40	16	1	17
	41 to 50	8	3	11
	Over 50	5	1	6
Total		36	7	43

$X^2=2.558$

Table $X^2=7.815$

df=3

Significant at 0.05

5.1.2 The relationship between age grouping of respondents and the chances of obtaining credit

The above explanation for table 11 appears to be adequate for the relationship between age and the chances of obtaining credit, as indicated by table 12. This table clearly indicates that there is a big gap between the variables under comparison as shown by the difference between the table chi-square (24.996) and the calculated one (16.817). This leads to inferring that there is no relationship between the independent and the dependent variables of hypothesis one, thus leading to the rejection of the same hypothesis.

Table 12 The relationship between age grouping of respondents and the chances of obtaining credit

Count		Amount						Total
		2500	5000	10000	17500	20000	30000	
Age of respondents	20 to 30 yrs	3	1	4	1	1		
	31 to 40 yrs	7	3	7		1		
	41 to 50 yrs	7		4				
	Over 50 yrs	5	1			1	1	
Total		22	5	15	1	3	1	

$X^2 = 16.817$

Table $X^2 = 24.996$

df=15

Significant at 0.05

5.1.3 The relationship between education level and the chances of obtaining

credit

From the table below it appears that there may be a relationship between the level of education and the amount borrowed. This is indicated by the calculated chi-square which is 39.131, and which is greater than the table chi-square, that is 37.652. It is also observed from table 5.1.3 that most of the borrowers are illiterate, that is 12 women out of 49 women, followed by those who completed primary education, that is 12 women out of 49 women. Those who did complete their primary school education are 11. There is only one woman who has reached upper secondary level of education and only a total of 4 women who reached lower secondary school education. The same table indicates that the majority of the women got less than 100,000 FBU (us \$100) that is 29 women out of 49 women. Only one woman got 300,000 FBU (US \$300). This could explain some of the women's complaints that the small amount of money they received was to blame, to some extent, for the business failure.

Table 13 The relationship between education level and the chances of obtaining credit

Count		Amount						Total
		2500	5000	10000	17500	20000	30000	
Level education	Non	12	1	3				
	Litracy training	2	1		1	1		
	Primary completed	4	3	4		1		
	Primary incopplete	3		7		1		
	Lower secondary	2		1			1	
	Upper secondary and above	1						
Total		24	5	15	1	3	1	

$$X^2 = 39.131$$

$$\text{Table } X^2 = 37.652$$

$$df = 25$$

Significant at 0.05

5.1.4 The relationship between the number of years in business and obtaining business training

Though one's number of years in business is a criterion used by the MFI to select clients, the findings indicate that there is no relationship between it and the chance of obtaining business training from the MFI. Some of the explanations for this lack of relationship include cheating on the side of the clients and those who recommended them. The clients and/or their group leaders/pastors may have manipulated their experience in business or the numbers of years spent in business, in order to dishonestly satisfy the micro-finance services provider. Moreover, it appears that the MFI officials may have relied much on trust and neglected putting in place strong control mechanisms.

Table 14 The relationship between the number of years in business and training

Count	Trained vs not trained by the MFI		Total
	Yes	No	
Number of yeras in 1-2 business	7	3	10
3-4	8	1	9
More than 5	23	3	26
Total	38	7	45

Calculated $X^2 = 2.043$

Table $X^2 = 5.991$

df=2

Significant at 0.05

5.1.4 The relationship between the number of years in business and obtaining credit

It appears from the findings that there is no relationship between the number of years one has spent in business and the chances of obtaining credit, as the officials of the MFI believed. To them, the clients they had were experienced enough to be able to carry out petty businesses in their micro-enterprises. As stated earlier, this resulted from cheating on either the side of those who selected them and/or the clients themselves. A group of some women confessed that they hesitated and insisted that they should not borrow the money since they knew for sure that they were not going to make in business because they were farmers. But their leader insisted that they should accept to borrow the money so that she may use it on her behalf as well as on the behalf of the group and share the benefit. They gave in and borrowed the money on the basis of false information about their experience in business. Unfortunately, they came to learn a very bitter lesson when the group leader failed to keep the promise. These women are still held responsible for the loan by the MFI since the latter does not recognize any one else except those whose names appear in their registry. The group of women has decided to take the matter to the local tribunal.

Table 15 The relationship between the number of years in business and obtaining credit

Count	Amount					
	2500	5000	10000	17500	20000	30000
Number of years in business 1-2	5	1	4		1	
3-4	4	2	2		1	1
More than 5	15	2	9	1	1	
Total	24	5	15	1	3	1

Calculated $X^2 = 7.384$

Table $X^2 = 18.307$

df=10

Significant at 0.05

5.1.5 The relationship between marital status and obtaining credit and business training

As the tables below show it, there is no relationship between the above variables

The calculated Chi-square is lower than the table one. The explanation for this lack of relationship is more or less like the one given above on number 5.1.4 on cheating

For example, it has been found out that, some of the clients are married or divorcees rather than being exclusively widows as officially known by the MFI officials.

Table 16 The relationship between marital status and obtaining credit and /or business training

Count		Training or no training ByMF		Total
		Yes	No	
Marital status	Married	7	2	9
	Divorced	5		5
	Widowed	26	5	31
Total		38	7	45

Calculated $X^2 = 1.233$

Table $X^2 = 5.991$

df=2

Significant at 0.05

5.1.6 The relationship between the type of business and obtaining credit

The relationship between the two variables does not exist as indicated by the table below. However, there is a clear indication that the category of "other businesses" tends to give an impression those women who are involved in particular businesses got credit more than others. This group includes either a combination of petty businesses and/or farming. In other words they are not specific in terms of the business they carry.

As the table below shows, there is no relationship between the type of business and the chances of obtaining business training. In other words it appears that the type of

business does nothing to do with whether the client will obtain the credit or not. This is in agreement with the criterion given by the MFI programs coordinator that the type of business does not matter in providing clients with training. Whatever type of business will do provided that it is not farming. This could probably explain some of the failures in business because, as some of the clients complained, there was no adequate training, guidance or preparation prior to embarking into business.

Table 17 The relationship between the type of business and obtaining business training

Count		Training or no training by MFI		Total
		Yes	No	
Type of business	Hawking	4		4
	Poultry	2		2
	Catering	2	1	3
	Any	30	6	36
Total		38	7	45

Calculated $X^2 = 1.861$

Table $X^2 = 7.815$

df=3

Significant at 0.05

5.1.7 The relationship between the type of business and obtaining credit

The table below indicates that there is a strong relationship between the type of business and the chances of obtaining credit. This either contradicts what the MF

officials know or it may have happened by chance. For example, it seems that those who conduct petty business together with farming (category of "other") got more credit than those who conducted hawking, poultry, and catering. The question is whether the MFI officials decide to be biased on a given category of businesses or whether the clients who are prone to look for credit are from particular categories.

Table 18 The relationship between type of business and obtaining credit

Count		Amount						T
		2500	5000	10000	17500	20000	30000	
Type of business	Hawkin	2		2				
	Poultr		1		1			
	Caterin	1	1	1				
	Any	21	3	12		3	1	
Total		24	5	15	1	3	1	

Calculated $X^2 = 32.119$

Table $X^2 = 24.996$

df=15

Significant at 0.05

Hypothesis 2: Rural women entrepreneurs who have obtained credit and other micro-finance services improve performance of their micro-enterprises.

5.2.1 The relationship between micro-finance services and cash/income

Table 19 indicates that there is a very strong relationship between micro-finance services other than micro-credit and increase in cash as shown by the calculated Chi-square (11.120) and the table Chi-square (3.841).

This indicates that the loan or micro-credit alone is not enough if these rural poor women are to succeed in their businesses. They need to be supported in one way or another.

Table 19 The relationship between micro-finance services and cash/income

Count		Increase in cash		Total
		Yes	No	
Have other micro-services helped business	Yes	17	2	19
	No	11	16	27
Total		28	18	46

Calculated $X^2 = 11.12$

Table $X^2 = 3.841$

df=1

Significant at 0.05

5.2. 2The relationship between obtaining business training and stock

The relationship between other variables of hypothesis two could not be established using the Chi-square or the SPSS package due to the nature of the questions used during the study. This therefore led to the use of the descriptive statistics in order to find out whether there is any relationship between variables under study.

As the tables below indicate, the clients acknowledged that training helped them in various ways. However, none of them indicated that their stock increased just because of the training they got. From these findings it appears that while the training may have been one of the causes of the increase in stock, employment and equipment/tools for some women, it was not perceived in a direct way. It is also understandable since the training itself does not deal with any of the issues above.

Table 20 The relationship between business training and stock, employment equipment and tools

		Frequency	Percent	Valid	Cumulative Percent
Valid	Incase of failure onother	2	4.1	10.	10.
	Councelling/business diversification	11	22.	55.	65.
	Marketing	1	2.0	5.0	70.
	Good	1	2.0	5.0	75.
	Provide school	4	8.2	20.	95.
	Avoid misusing funds	1	2.0	5.0	100.
	Total	20	40.	100.	
Missing	System	29	59.		
Total		49	100.		

5.2.3 The relationship between credit and stock

The great majority of the respondents (96%) indicated that their stocks increased or improved due to the credit they got from the MFI. Only one person (4%) indicated that the stock rather decreased rather than increasing. For the rest of the respondents, it was not possible for them to evaluate themselves or their businesses performance because they had not used the credit. 24 respondents out of 49 experienced this problem. Most of them decided to give the credit to someone else after realizing that they could not be able to carry out business due to lack of experience. This contradicts the criterion of taking into consideration the clients experience in business. In other words there has been many cases of cheating the MFI officials.

Table 21 The relationship between credit and stock

		Frequenc	Percen	Valid	Cumulativ Percen
Valid	Increase	24	49.0	96.0	96.0
	Decrease	1	2.0	4.0	100.0
	Total	25	51.0	100.0	
Missin	Syste	24	49.0		
Total		49	100.0		

5.2.4 The relationship between credit and job creation

About 79% of the respondents were able to hire 1 to 2 employees and about 21% were able to hire at least 3 employees. However these are casual workers who most of the time worked with the respondents only it was necessary. No one had full time worker by herself. Others among them did not hire any one to help them or work for

them because either had grown up children or relatives who could help them. Some of those who hired workers were the most successful in their businesses and had to send their children to school rather keeping them at home to help them.

Table 22 The relationship between credit and job creation

	Frequency	Percent	Valid	Cumulative Percent
Valid 1-2	11	22.4	78.6	78.6
3	3	6.1	21.4	100.0
Total	14	28.6	100.0	
Missing System	35	71.4		
Total	49	100.0		

5.2.5 The relationship between credit and equipment and tools

As many as 92% of the respondents said that their equipment and tools increased. Only one person experienced a decrease while another one kept borrowing from neighbors or relatives.

Table 23 The relationship between credit and equipment and tools

	Frequency	Percent	Valid	Cumulative Percent
Valid Bought some seeds	5	10.2	20.8	20.8
Increased	17	34.7	70.8	91.7
Decreased	1	2.0	4.2	95.8
Keep borrowing	1	2.0	4.2	100.0
Total	24	49.0	100.0	
Missing System	25	51.0		
Total	49	100.0		

5.2.6 The relationship between credit and income

About 87% of the respondents said that their income increased. Only 4 women (13%) said that their income decreased. It appears that even those who did not pay back the loan had experienced any other problem such as robbery, sickness, to many issues to sort out using money, but not mainly due to the decrease in income.

Table 24 The relationship between credit and income

		Frequency	Percent	Valid	Cumulative Percent
Valid	Income increase	26	53.1	86.7	86.7
	Decrease	4	8.2	13.3	100.0
	Total	30	61.2	100.0	
Missing	System	19	38.8		
Total		49	100.0		

6.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents a summary of the main findings. It also presents the conclusions and recommendations drawn from the findings of the study. Implications for further research and policy are discussed here.

6.1 Summary

The study set out to determine whether the credit worthiness of rural poor women entrepreneurs influences their chances of obtaining credit and other micro-finance services. The credit worthiness of rural poor women entrepreneurs had to do with age, level of education, type of business, business experience and marital status. Other micro-finance services included business training or advice from the MFI under study. The study sought also to establish if rural women entrepreneurs who have obtained credit and other micro-finance services improved the performance of their micro-enterprises. The indicators of the performance of the micro-enterprises included increase in stock, job creation, equipment, tools and income.

The research findings indicate that the level of education may influence the chance of obtaining credit from the MFI that was being studied. It appears also to influence the amount the client borrows. The higher the level of education the higher the amount of money borrowed by the client. Probably those with a low level of education tend to undermine themselves when it comes to managing a big amount of money.

It also appears that the amount of money borrowed by the client depends on the type of business the client is involved in, which in turn depends on prior experience. Most of the respondents preferred mixing petty trade and farming, which the MFI does not approve. This led to cheating the MFI officials on their type of businesses. The MFI official knew that people were borrowing money to get involved in trade as they recommend, but the clients decided on their own to use the money for what they thought was suitable for them, that is, farming.

The research findings indicate also that other micro-finance services, such as counseling and provision of school materials, on top of micro-credit, have had a positive impact on income increase. This implies that the MFI has to seriously take into consideration the provision of many more other micro-finance services such as food relief, school materials, school fees, psychological or spiritual issues and the like, if their clients are to succeed.

Age, experience in business and marital status seem not to have an impact on the chances of obtaining credit or business training. The findings indicate very weak relationship between the variables.

From the research findings, one notices a strong relationship between credit and the increase in stock, number of employees, equipment and tools as well as income. The same kind of relationship appears to be there between training and the increase in stock, number of employees, equipment, tools and income. Indeed, many

respondents emphasized the importance of training, especially in the area of counseling. This created self-esteem and confidence in them that they can become self-reliant even as widows. More importantly, many respondents were empowered by the counseling to say no to immorality, idleness and laziness.

6.2 Conclusions

The study concludes that there is, to some extent, a relationship between creditworthiness of rural poor women entrepreneurs and their chances of obtaining credit and other micro-finance services. Though the MFI official criteria for providing credit to their clients are only business experience and being a widow, the study indicated that the clients and/or probably those who select the potential clients might be taking into consideration their level of education without telling them. The conclusion can also be drawn from the study that the MFI is not reaching out to many women due to many factors, which include limited funds, which leads to limiting the number of the clients. The fact that the MFI limits itself to "Christians" is also a limiting factor in reaching out to the rural poor women entrepreneurs. The Experience in business has also been a limiting factor since farmers cannot borrow from the MFI. Another limiting element is the marital status of the clients, that is, that they have to be widows.

Due to the above limiting factors, a section of the clients and/or those who selected them (pastors, group leaders) cheated the MFI officials on their marital status, the type of business or micro-enterprises and business experience. This indicates that

there have not been fair dealings between the MFI officials, their clients and intermediary agents, that is group leaders or pastors. The cause of this may have mainly resulted from "too much trust" on the side of the MFI officials who neglected to fail to put in place clear and strong policies, rules and regulations to ensure there is no cheating. This cheating has led to the failure of the MFI to continue providing services to its clients due to the big number of those who have arrears. This has victimized faithful or successful clients in that they cannot get anymore micro-credit from the MFI.

The study found out also that there is a strong relationship between credit and other micro-finance services such as training/counseling and relief and the performance of the micro-enterprises of the rural poor women entrepreneurs under study. Most people praise the program's benefits and blame the situation of war and robbery for some of their failures. The majority believes that if it were not for robbery and war they could tremendously succeed and depend on themselves.

Two case studies and four key informants indicated that some women became empowered in socio-economic terms. Their business grew from petty businesses to the wholesale of the products they purchase from outside the country. The biggest challenge for them was robbery and war or political instability. Although the exact number of the most successful women is not known, the few cases that are known indicate that micro-finance programs do empower rural poor women entrepreneurs.

More importantly is the counseling they got from the MFI on how to conduct themselves as widows, not indulging into sexual immorality/prostitution, among other bad behaviors, seeking a livelihood. Most of the women interviewed recognized that their success depended on counseling even more than on the credit itself, though they also recognized that both are important. They feel they do not have to depend on a man to take care of themselves and their children, especially if their security is guaranteed.

In short, the study indicates that the micro-finance programs are very important in empowering rural poor women entrepreneurs, especially in normal conditions. This is to say that insecurity and war situation are some of the setbacks of these programs which require therefore a supplementary program of relief, social justice and protection.

The findings of the study appear to be in agreement with the Conventional Model of the Impact Chain, that micro-finance programs do modify the behavior of clients when outside factors are taken into consideration. As for the Lending in Groups Scheme or Model used by the Grameen Bank, there is no guarantee that members will be answerable for their group members' repayment. Though the MFI did not have any provision for the use of this model, it would have been very difficult to go by it since people keep moving and are so poor to accept to repay for other group members. They would rather have gone to other MFIs thus running away from the

institution they had borrowed from. This model would work well if it is an isolated case of a loan default.

It also appears that the findings of this study are in agreement with other scholars' findings that micro-finance programs do not reach the poorest of the poor. They include limited number of the better off poor. Wood et al. (1997). The findings of this study have also proved that these programs lead to women's economic empowerment, increased self-esteem, and other forms of empowerment. This concurs with the findings of Cheston et al. (2002) on the same subject.

The study has thus answered the two main questions of how far micro-finance programs reach rural poor women entrepreneurs and the material and non-material benefits these women get from them.

6.4 Recommendations

The following recommendations are based on the findings of the study.

6.4.1 Improvement of practice

1. The study recommends that the MFI consider the needs and levels of education or the capacity of handling money effectively when deciding on the amount of the credit a client should get. This would involve the use of participatory approaches in order to allow the clients to decide what suits their cases. The MFI officials should work with them as facilitators or catalysts

2. Literacy training should be included in the program in order to solve clients' problems related to illiteracy. This should be taken into consideration very seriously if the MFI is to reach the poorest of the poor, who are illiterate. This is rightly so because every empowerment should start with education.
3. There should be a strong monitoring and evaluation system so that clients may be helped before the business fails completely. This would go hand in hand with free and regular consultancy services.
4. The clients should get business training prior to obtaining the loan. This could include basic accounting, marketing, and management skills among others. This is especially important because of competition in the world of business which unprepared entrepreneurs cannot withstand without a solid foundation in business, at least at their level.

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5. The MFI should seriously take into consideration the need to include relief in its programs, especially because the country is in war and people are too poor, especially widows. This will prevent them from using the loan for other issues such as buying food, paying previous debts, among other issues.

6.4.2 Policy improvement

1. Clear policies, rules and regulations and control mechanisms should be established in order to be able to avoid cheating and thus helping the clients to

be objective and honest. This would involve putting emphasis on business ethics, moral or spiritual standards, and the like.

2. Strong policies that would help clients pay back the loan should also be put in place by the government and/or micro-finance institutions.
3. Participatory approaches should be used at all levels of the project. This will create some sense of ownership in the clients and will not want their project to fail.

6.4.3 Suggestions for further research

1. There is need to study the negative implications of micro-finance programs on rural women entrepreneurs, their children, neighbors, etc. This would help in balancing the micro-finance services otherwise as the MFI tries to save one situation it may be creating more other problems. For example it should be found out whether obtaining a loan leads to school dropping out of children.
2. A study should also be conducted to find out whether or not these programs empower rural women at the community and national levels.
3. How far rural poor women entrepreneurs can graduate from micro-enterprises to macro-enterprise businesses should also be studied.

4. The age and gender dynamics should also be studied to establish which category of people could succeed better than others so that loans can be rationed accordingly and strategically.

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PO BOX 30197 Nairobi, Kenya

Dear Madam/Sir,

With the hereby-attached questionnaire, I seek to get your help so that I can successfully complete my research in partial fulfilment of the requirements for the Master of Arts degree in Sociology (Rural Sociology and Community Development).

The purpose of this academic study is to have a closer look at the role micro-finance programs play in bringing about women's socio-economic empowerment.

Accepting to fill in this questionnaire means contributing to scientific research and knowledge as well as sustainable development of which you are a promoter.

Note further that the information you provide will be treated with strict confidentiality they deserve. Moreover, the name of your organization/business or your own name will not be mentioned anywhere in this report.

Thank you in advance.

Sincerely yours,

Jean Nyandwi

APPENDICES

APPENDIX A

INTERVIEW SCHEDULE FOR RURAL WOMEN ENTREPRENEURS

INTERVIEW SCHEDULE FOR RURAL WOMEN ENTREPRENEURS

Section A: Personal details and creditworthiness

1. What is your age? _____

2. What is your marital status? (a) Single

(b) Married

(c) Divorced

(d) Widowed

3. What is your level of Education: (a) None

(b) Literacy training

(c) Primary completed

(d) Primary incomplete

(e) Lower Secondary

(f) Upper Secondary and above

4. Have you been trained by the MFI?

(a) Yes

(b) No

5. If yes, specify

Type of training

Duration

When

<u>Type of training</u>	<u>Duration</u>	<u>When</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. What is your business? _____

(a) Hawking

(b) Service

(c) Poultry

(d) Catering

(e) Any other (specify) _____

7. How long have you been doing the business mentioned in number 6?

(a) 1-2 years

(b) 3-4 years

(d) More than 5 years

8. Have you ever borrowed from the MFI? (a) Yes (b) No

9. If yes, specify

<u>Amount</u>	<u>Purpose</u>	<u>When</u>	<u>Progress in repayment</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(10) How long is the loan repayment period in months? _____

(11) How is the interest rate charged on the loan? _____

(12) Have you lagged behind in repayment? (a) Yes (b) No

(13) If you have lagged behind in repayment, for approximately how many months? _____

(14) Why have you lagged behind in repayment?

Section B: Micro-enterprise performance

1. If you have borrowed for your business, in which way did it improve the business in terms of

i. Stock _____

ii. Services _____

(c) Employment?

(d) Equipment and tools _____

(e) Income _____

(f) Other _____

2. Have other micro-finance services helped your business improve?

(a) Yes

(b) No

3. If yes, which ones?

4. Explain one by one how they helped your business improve.

5. If no, why not? _____

APPENDIX B
A CHECKLIST FOR MICRO-FINANCE INSTITUTION

A CHECKLIST FOR MICRO-FINANCE INSTITUTION

Section A: Background information

1. Name of MFI (Optional): _____

2. Type of MFI:

(a) NGO (b) Bank (c) Private company

(d) Church

(e) Other (Specify) _____

3. When established _____

4. Geographical area of operation _____

5. Clients: Type _____ No _____

(a) Group _____

(b) Individuals _____

(c) Other _____

6. What services does the MFI provide to women entrepreneurs?

(a) _____

(b) _____

(c) _____

(d) _____

(e) _____

7. How does the MFI accomplish the following?

(a) Selection of project site _____

(b) Selection of clients _____

(c) Preparation of clients prior to loaning them _____

(d) Type of loans provided _____

(e) What type of operations does the MFI finance?

a. Initial capital

b. Working capital

c. Additional capital

d. Other

(f) Give the range of credit you give to an individual client:

(g) How long is the loan repayment period in months? _____

(h) What is the interest rate charged on the loan per month _____

(i) How much of the loan given out is repaid on time on average? _____

(j) What is the percentage of those who fail to pay back the loan? _____

(k) What is the percentage of dropouts per year? _____

Section B: Creditworthiness

1. What is the acceptable age of the client in this MFI? _____

2. What is the acceptable level of education must your clients have to qualify for

micro-finance services? (a) None

(b) Literacy training

(c) Primary completed

(d) Primary incomplete

(e) Lower Secondary

(f) Upper Secondary and above

3. What marital status must a client have?

(a) Single

(b) Married

(c) Divorced

(d) Widowed

(e) Other _____

4. What type of business does the MFI support?

(f) Any

(g) Service

(h) Hawking

(i) Poultry

(j) Catering

(k) Any other (specify) _____

5. What experience must your client have prior to getting micro-finance services?

Section C: Micro-enterprise performance

1. In which way did the loan obtained from your MFI improve the business of the clients in terms of

(a) Stock _____

(b) Services _____

(c) Employment? _____

(d) Equipment and tools _____

(g) Income _____

(f) Other _____

2. In which way did the services mentioned in section A, No. 6 improve the business of your clients

MFI services	Business improvement
(a)	(a) Stock Services _____ (b) Employment? _____ (c) Equipment and tools _____ (d) Income _____ (e) Other _____
(b)	(a) Stock Services _____ (b) Employment? _____ (c) Equipment and tools _____ (d) Income _____ (e) Other _____

(c)	(a) Stock Services _____ (b) Employment? _____ (c) Equipment and tools _____ (d) Income _____ (e) Other _____
MFI services	Business improvement
(d)	(a) Stock Services _____ (b) Employment? _____ (c) Equipment and tools _____ (d) _____ Income _____ (e) Other _____

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APPENDIX C

SEMI- STRUCTURED INTERVIEW FOR KEY INFORMANTS

SEMI-STRUCTURED INTERVIEW FOR KEY INFORMANTS

Section A: Personal background

1. What is your name (Optional)? _____
2. What is your relationship with the client of micro-finance institution?

3. What type of business is the client of micro-finance institution involved in?

4. How long has she been in that business?

Section B: The impact of micro-credit and other micro-finance services on the business, individual, and household levels

1. What are the positive changes can you say have been brought by the client got from the MFI?
 - (a) At the business level _____
 - (b) At the individual level _____
 - (c) At the household level _____
2. What other kinds of services has she received from the MFI? _____
3. What is the positive impact of those services?
 - (a) At the business level _____
 - (b) At the individual level _____
 - (c) At the household level _____

4. What else would you like to be done for her to get more empowered?

(a) At the business level _____

(b) At the individual level _____

(c) At the household level _____

5. What do you think are the MFI's strengths?

6. What are the MFI's weaknesses?

APPENDIX D
CASE STUDY

CASE STUDY

Section A: Personal background

1. What is your name (optional)? _____
2. How old are you? _____
3. What is your marital status? _____
4. How many children do you have? _____
5. What is your level of education? _____
6. What type of business are you involved in? _____
7. How long have you been in that business? _____

Section B: Creditworthiness

What do you think of the criteria used to select the MFI clients?

Section C: The impact of micro-credit and other micro-finance services at the business, individual, and household levels

1. What are the positive changes can you say have been brought by the credit you got from the MFI?
 - (a) At the business level
 - (b) At the individual level
 - (c) At the household level
2. Besides credit, what other kinds of services have you received from the MFI?
3. What is the positive impact of those services?

- (a) At the business level
- (b) At the individual level
- (c) At the household level

6. What else would you like to be done for you to get more empowered?

- (a) At the business level
- (b) At the individual level
- (c) At the household level

Thank you for your cooperation and time.